

Minutes from SWD Conference

Business Return Update

94X- XML Program

Presented by Pat Clarke, Senior Manager, ETA Development Services

Launched in January 2003, there are now five developers who've completed testing with four others in the testing or application process. To date more than 1,000 returns have been filed using the XML process. 94X XML features include:

- an ERO Model, allowing Software Developers to integrate employment tax returns in products offered to traditional Form 1040 practitioners, as well as full service accounting products
- The capability to support embedded Federal State Employment Tax returns (Seeking State Partners)
- Integrated File & Pay, allowing any balance due to be remitted within the return records rather than a separate EFTPS transaction

IRS has developed the XML program to eventually replace the Magnetic Tape, EDI, non-EDI, and On-Line programs now available.

For more information & to research the XML 94X e-file program, including schemas, visit e-fileemptax@irs.gov. For more information regarding the Federal-State Employment Tax (FSET) visit wi.fedstateschema@irs.gov.

Form 1065 e-File

Presented by Chuck Piekarski, Team Leader ETA Development Services

Now in its fourth year, the Form 1065 e-File program has had a smooth filing season. Forty Forms and 14 Schedules can now be e-Filed, including Form 8865 with associated Forms and Schedules. Additionally, explanatory statements can be e-filed as add on records. Of the 2.3 million Forms 1065 filed last year, some 40,000 were e-filed, including 900,000 associated Schedule K-1s. There are 28 software developers who've completed Form 1065 programs, with 23 currently transmitting. Next year we plan to accept Foreign Address returns, add four more forms and support BATS self-testing.

Form 1041 e-File

Presented by Chuck Piekarski, Team Leader ETA Development Services

REMINDER: Form 1041 Magnetic Tape Filing ends June 30, 2003!

Form 1041 e-File now includes 31 attached Forms and Schedules and of course, Schedule K-1. This year, 3.7 million Forms 1041 were filed, with 1.247 million being e-filed. More than 1.608 million attached Schedules K-1s were e-filed along with the returns. Additionally, 74, 567 New York State returns were also e-

Filed. Sixteen companies are now transmitters of Form 1041. Features of Form 1041 e-File include:

- 10,000 Returns per File
- Up-front Error Detection
- Electronic Funds Withdrawal
- Fed State Option

Future 1065 & 1041 Changes

Presented by Chuck Piekarski, Team Leader ETA Development Services

Both programs will migrate Application and Registration processes to the coming e-Services platform. Also under development are encryption and e-Signature Alternatives. Stay up to date by visiting w&iform1041@irs.gov.

Legacy Business e-File Systems

Presented by Larry Faulkner, Payment & Business e-File Systems Director

Employment Tax Returns can be filed using several legacy systems. In Calendar 2002 some 6.252 million business returns were e-filed, which accounted for 18% of returns that could be e-Filed. Thus far in Calendar 2003, 2.766 million business returns have been filed accounting for 20% of returns that could be e-Filed. Thus far only the Magnetic Tape employment Tax return program has a scheduled sunset date, February 2004. Other employment tax return options (941 EDI, 941 Non-EDI, 941 Telefile, 941 On-Line) will eventually be sunset, but SBSE is committed to support these programs during a transitional period to allow conversion to 94X XML. IRS encourages and will assist and support conversion to XML processing and as numbers decrease in the legacy filing options decisions on sunset dates will be made.

Calendar Year 2003 will see several enhancements. We have consolidated operation of our help desks, now called e-Help and available at 1-866-255-0564. Additionally, Internet Employer Identification Number was launched, enabling Internet requests for EINs by both taxpayers and or their representatives. We've completed testing of a Zero Wage 941 using Telefile, permitting users to submit no activity returns when needed.

Our plans for 2004 include more schedules for Form 1041; consideration of reducing the e-File waiver criteria for mandated partnership returns; and the transition of the 94x XML program to SBSE operations from the ETA Development Team.

Business E-File Marketing

Presented by Phyllis Grimes, Director SBSE Marketing

IRS has concentrated business e-file marketing under the Director of SBSE's Taxpayer Education and Communication (TEC). This unites the SBSE division's operation of e-file programs with the efforts to market them. In March of this year, TEC sponsored the first IRS/Software Developer's Marketing Conference to explore joint and cooperative marketing efforts. We intend to continue to seek opportunities to inform taxpayers, tax practitioners and professionals about e-file. We hope to drive behavior toward e-filing which will cause software users to come to expect e-filing capability as part of their programs.